

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI
JM No.31/2015

DATE ORDER WITH SIGNATURE OF JUDGE

For hearing of main petition

02.9.2016

Mr. Mikael Azmat Rahim for petitioner
Mr. Munawar Awan for SECP
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Primarily three objections are raised by the learned Counsel appearing for SEPC.

1. That prior to the petitioner being merged they should comply with the requirements of Pakistan Stock Exchange.
2. The swap ratio as determined by the learned Judge in the case of Kohinoor Raiwind Mills Limited reported in 2002 CLD 1314 has not been complied with.
3. That a merged petitioner who would come out as a consequence of this amalgamation scheme shall first comply with the requirement of Pakistan Stock Exchange for the purpose of listing.

Learned Counsel for the petitioner has relied upon the judgement of this Court in Gadoon Textile mills Limited passed in JM No.41/2014, Dewan Salman Fibre Ltd. reported in PLD 2001 Lahore 230 and in the case of International Multi Leasing Company reported in 2004 CLD 01. He submits that unanimously the members of the two petitioners have in their independent and separate meetings conceded and consented to the scheme of merger of petitioners No.1 & 2. Since no objections have been raised for any members, they have also agreed to the reciprocal shares to be issued by the merged petitioner and hence at this stage the objections of the learned Counsel for SEPC that the swap ratio has not been determined as referred in the judgment of Kohinoor Raiwind Mills Limited is not tenable. It goes without saying that none of the objection of any individual members whether minor or major shareholders has

come on notice, despite of notice. Though the SECP being regulatory authority was there to look-after their interest but they have not referred to any objections raised before them with regard to the minority shareholders. It seems that the swap ratio in terms of the merger scheme and subsequent issuance of shares of the merged petitioner has been agreed in principle and unless some serious discrepancies are shown which in the instant case has not been shown, such questions are not to be dealt with while considering petition for amalgamation. These questions have already been dealt with in the above referred judgment hence I would score off this objection while considering the present petition.

Insofar as the compliance of the merged petitioner is concerned, that goes without saying that they would comply with every requirement of Pakistan Stock Exchange for the purposes of listing, that itself is prayed by the petitioner in prayer clause (b)(vii). Hence in view of the above reasons, I do not see any impediment in allowing the petition.

Insofar as the compliance of foreign shareholders as being off shore companies is concerned, all the requirements and preconditions of the ministry of interior be complied with.

Accordingly the petition is allowed as prayed



Judge